

THE DELPHI LIFE AND DISABILITY
BENEFITS PROGRAM FOR
SALARIED EMPLOYEES

(Effective January 1, 2004
With Modifications Through
December 31, 2006)

DELPHI CORPORATION

Art. I

ARTICLE I

ESTABLISHMENT AND EFFECTIVE DATE
OF LIFE AND DISABILITY BENEFITS PROGRAM

1.01 – Establishment of Program

Delphi Corporation (the "Corporation" or "Delphi") on behalf of itself and certain of its directly or indirectly wholly-owned and substantially wholly-owned domestic subsidiaries, hereby establishes the Delphi Life and Disability Benefits Program for Salaried Employees (the "Program"). Benefits under the Program will be provided, at the discretion of the Corporation, through a self-insured arrangement or under a group insurance policy or policies issued by a Carrier as set forth in Article IV.

It is understood that for the purpose of determining eligibility for any coverage hereunder, any Employee covered under the provisions of this Program who, immediately prior, was eligible under the General Motors Life and Disability Benefits Program for Salaried Employees will be treated as though such Employee was continuously covered under this Program.

1.02 – Effective Date of Amended Program

The Program became effective January 1, 1999, and has been amended through December 31, 2006. For any Employee who is Actively at Work on or after January 1, 2004, the Program, as amended on or after January 1, 2004 will become effective on the later of January 1, 2004 and the date the Employee returns to active work, except as may otherwise be provided in Article III 3.02 and in Article IV.

Art. II

ARTICLE II

DEFINITION OF TERMS

2.01 – “Actively at Work”

Actively at Work means performing the regular duties of the Employee's assignment, as determined by the Corporation, on a scheduled workday at one of the Corporation's places of business or at any other location to which the Corporation's business may require the Employee to work. Assignment includes both the Employee's regular permanent assignment as well as any given on a temporary basis. If the effective date of coverage or change in coverage falls on a day that is not a scheduled workday for the Employee, such Employee will be deemed to be Actively at Work if the Employee was at work on the immediately preceding scheduled workday.

For purposes of the Program, an Employee on a special Career Transition Leave under a program approved by the Corporation is deemed to be Actively at Work while on such leave.

An Employee who is on an approved vacation, as determined by the Corporation, is to be considered Actively at Work while on such approved vacation.

2.02 – “Annual Base Salary”

Annual Base Salary, for purposes of determining amounts of coverage, means (a) 12 times the Employee's Monthly Base Salary; or, (b) the Employee's annual earnings base, if the Employee is compensated wholly or partially on a commission basis; and includes any premium for necessary continuous seven-day operations.

Notwithstanding the above, for purposes of determining amounts of coverage, Annual Base Salary for an Employee eligible to participate in the election of coverage amounts under the Options! Program means the Employee's Annual Base Salary as of each September 1 for the following calendar year while the Employee remains so eligible.

Art. II, 2.02

If an Employee receives an increase or decrease in Annual Base Salary prior to September 1, the resulting increased or decreased amount of life insurance coverage will become effective on January 1 of the following plan year.

2.03 – "Carrier"

Carrier means the entity by which coverages are underwritten or benefits are paid. As used in this Program, the term will include, but is not limited to, the following types of entities:

- (a) Delphi;
- (b) an insurance company; and
- (c) a non-governmental administrative service.

2.04 – "Dependent"

For purposes of (a) Dependent Life Insurance as set forth in Article IV, Section 4.12; or (b) Personal Accident Insurance as set forth in Article IV, Section 4.13, Dependent means the following:

- (a) Prior to January 1, 2005

The Employee's spouse or a Dependent Child as defined under the provisions of the Delphi Health Care Program for Salaried Employees except that Sponsored Dependents, Dependents acquired after the Employee's retirement effective date, and same-sex domestic partners and children of a same-sex domestic partner will not qualify as eligible Dependents. A child, who is otherwise eligible, will qualify as a Dependent from the moment of live birth. "Live birth" means that the child is born with spontaneous respiration or a heartbeat. Live birth does not include a stillbirth, miscarriage, spontaneous abortion or induced abortion.

Art. II, 2.04(b)

(b) On or After January 1, 2005

- The Employee's spouse. A spouse will also include the Employee's Same-Sex Domestic Partner; or
- The Employee's Dependent Child. A Dependent Child will also include a Dependent Child of the Employee's Same-Sex Domestic Partner.

provided any such person is eligible to be covered under the provisions of the Delphi Health Care Program for Salaried Employees, except that Sponsored Dependents and Dependents acquired after the Employee's retirement effective date will not qualify as eligible Dependents. A child, who is otherwise eligible, will qualify as a Dependent from the moment of live birth. "Live birth" means that the child is born with spontaneous respiration or a heartbeat. Live birth does not include a stillbirth, miscarriage, spontaneous abortion or induced abortion.

A child may not be covered as a Dependent of more than one Delphi salaried Employee. In the event of a claim for Dependent Life or Personal Accident Insurance when two Delphi salaried Employees have coverage on the life of the same Dependent, a benefit will be paid only to the Employee whose birthday occurs earlier in the calendar year.

For purposes of Dependent Life Insurance as set forth in Article IV, Section 4.12, a child born after the Employee's death will be an eligible Dependent only if such child is the issue of the surviving spouse's marriage to the deceased Employee and was conceived prior to such Employee's death. Any such child will be eligible on the same basis as a child born prior to the Employee's death.

For purposes of Personal Accident Insurance as set forth in Article IV, Section 4.13, any person insured as an Employee will not be considered an eligible Dependent.

Art. III, 2.05

2.05 – “Employee”

(a) Employee means any person regularly employed in the United States by the Corporation or by a wholly-owned or substantially wholly-owned domestic subsidiary thereof, or a person so employed outside of the United States or Canada whose services, if discontinued, would be discontinued by recall to the United States, (except an Employee who is classified as a temporary Employee) on a salaried basis, herein referred to as Employees, including:

- (1) classified salaried Employees scheduled to work the normal base work week including Employees in professional/technical salaried positions;
- (2) Commissioned Employees who are compensated wholly or partially on a commission basis;
- (3) part-time physicians who are paid monthly salaries and who, without further considerations such as fees or other forms of remuneration, agree to render on a regular and continuing basis such medical services as may be required;
- (4) part-time salaried Employees whose service date is prior to September 1, 1984, (except part-time physicians) who, on a regular and continuing basis, perform jobs having definitely established working hours but the complete performance of which requires fewer hours of work than the regular work week, provided the services of such Employees are normally available for at least half of the employing unit's regular work week;
- (5) Flexible Service Employees who, on an indefinite basis, perform jobs having definitely established working hours, but the complete performance of which requires fewer hours of work than the regular work week, provided the services of such Employees are normally available for at least 50% of the employing unit's regular work week;

Art. II, 2.05(a)(6)

- (6) executive salaried Employees;
- (7) salaried Employees of Delco Electronics Corporation (DEC);
- (8) former Employees of a Delphi business unit as defined by the GM/Delphi Employee Matters Agreement who are not retired as of January 1, 1999 and for whom the applicable sales or joint venture agreement provided for continued participation in the Program for a limited transitional period of time and where such sales or joint venture agreement had been approved by the General Motors Board of Directors or other committee or person(s) to whom such Board of Directors had delegated approval authority; and
- (9) former Employees of a Delphi Business unit as defined by the GM/Delphi Employee Matters Agreement for whom the applicable sales or joint venture agreement provides for participation in the Program solely for purposes of those post retirement coverages specifically provided for under the terms of such sales or joint venture agreement, and where such sales or joint venture agreement had been approved by General Motors Board of Directors or other committee or person(s) to whom such Board of Directors had delegated such approval authority.

(b) The term "Employee" will not include:

- (1) employees of any directly or indirectly wholly-owned or substantially wholly-owned subsidiary of the Corporation acquired or formed by the Corporation unless specifically approved for inclusion herein by the Delphi Board of Directors;
- (2) employees represented by a labor organization with which no written agreement has been reached making the Program applicable to such employees, unless such employees are included through

Art. III, 2.05(b)(2)

understandings between the Corporation and their collective bargaining representatives;

- (3) leased employees as defined under Section 414(n) of the Internal Revenue Code;
- (4) contract employees, bundled services employees, consultants, individuals who have represented themselves to be independent contractors, individuals whom the Corporation does not consider to be Employees, or other similarly situated individuals regardless of whether the individual is a common law employee of the Corporation. The purpose of this provision is to exclude from participation in the Program all persons who may actually be common law employees of the Corporation, but who are not paid as though they were employees of the Corporation regardless of whether that exclusion is correct;
- (5) former Employees of a Delphi business unit as set forth in Article II, Section 2.05(a)(8) above, upon termination of the transitional period and former Employees of a Delphi business unit as defined by the GM/Delphi Employee Matters Agreement for whom the applicable sales or joint venture agreement does not require continued participation in the Program, unless otherwise eligible as set forth in this Section 2.05; or
- (6) Cooperative Students whose service date is on or after January 1, 1999.

2.06 – “Length of Service”

Length of Service means the Employee's unbroken service as defined by rules established by the Corporation; except if the Employee is represented under a collective bargaining agreement, such Employee's Length of Service will be the same as the Employee's Length of Service as defined in such agreement. If an Employee retired under the terms of the Delphi Retirement Program for Salaried Employees is rehired, but does not have Length of

Art. II, 2.06

Service reinstated, the Employee will be deemed, solely to satisfy the purposes of the Program, to have Length of Service while so employed.

2.07 – “Monthly Base Salary”

Monthly Base Salary, for purposes of determining amounts of coverage, means the Employee's current regular rate of pay each month without overtime, night shift premium or any other payment, but does include premium for necessary seven-day operation, except that commissioned Employees will be deemed to have a Monthly Base Salary equal to 1/12th the annual earnings base determined in accordance with a schedule established by the Corporation.

Notwithstanding the above, for purposes of determining amounts of coverage for Supplemental Extended Disability Benefits and Long-Term Disability Benefits, Monthly Base Salary for an Employee eligible to participate in the election of coverage amounts under the Options! Program means the Employee's Monthly Base Salary as of each September 1 for the following calendar year. If an Employee receives an increase or decrease in Monthly Base Salary prior to September 1, the resulting increased or decreased amount of Supplemental Extended Disability Benefits and Long-Term Disability Benefits will become effective on January 1 of the following year.

2.08 – “Named Fiduciary”

Named Fiduciary means the Executive Committee of the Board of Directors of Delphi Corporation. The Executive Committee may delegate authority to carry out such of its responsibilities as it deems proper to the extent permitted by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Furthermore, certain authority may be delegated to a Carrier responsible for the adjudication of claims under the Program.

2.09 – “Options! Program”

Options! Program means The Delphi Options! Benefits Program for Salaried Employees in the United States.

Art. II, 2.10

2.10 – “2004 – 2006 Plan”

2004 – 2006 Plan means the Program as constituted on January 1, 2004 with modifications through December 31, 2006.

2.11 – “Program Administrator”

Program Administrator means Delphi Corporation or its delegate.

2.12 – “Years of Participation”

- (a) Years of Participation will be the sum of:
 - (1) the Employee's credited service accrued after January 1, 1999 under any pension plan or retirement program to which the Corporation has contributed;
 - (2) any Years of Participation accrued under any General Motors Life and Disability Benefits Program prior to January 1, 1999;
 - (3) any Years of Participation accrued under any GM Life and Disability Benefit Program after January 1, 1999; provided such employee immediately transferred to Delphi from General Motors in accordance with the GM/Delphi Employee Matters Agreement prior to January 1, 2001.
- (b) In the case of an Employee who, immediately prior to the date such Employee becomes an Employee as defined in Section 2.05 of this Article, was employed by a subsidiary or affiliated company or corporation not providing coverage under this Program, credit for Years of Participation, if any, on account of such prior service will be determined under rules established by the Corporation.

Art. III

ARTICLE III

ELIGIBILITY FOR AND EFFECTVE DATES OF COVERAGES,
AND FINANCING AND ADMINISTRATION OF PROGRAM

3.01 – Enrollment Options

Each eligible Employee will be enrolled in the Program. For Optional Life, Dependent Life, Personal Accident Insurance and Supplemental Extended Disability Benefits, an eligible Employee must complete an enrollment application or election through a telephone or other electronic enrollment system, for the coverage in which the Employee chooses to participate.

3.02 – Eligibility for Coverage

Persons who are Employees as defined in the Plan are eligible to participate in the Program.

For purposes of determining eligibility in this Program, Employees who return to the Corporation from employment with Peregrine or any divestiture on or after September 30, 1998, Employees' eligibility for coverage hereunder will be based on such Employees' adjusted service date as determined by the Corporation.

(a) Basic Life, Sickness and Accident, Extended Disability Benefits, Short-Term Disability Benefits and Long-Term Disability Benefits Coverage

(1) Basic Life Insurance

An Employee whose service date is prior to January 1, 2001 will be eligible for Basic Life Insurance coverage provided under Article IV on the later of January 1, 2004 and the first day of the third month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Art. III, 3.02(a)(1)

An Employee whose service date is on or after January 1, 2001 will be eligible for Basic Life Insurance coverage provided under Article IV on the later of January 1, 2004 and the first day of the second month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Notwithstanding the foregoing, certain executive Employees of the Corporation who would otherwise be eligible for Basic Life Insurance under the Program, and who are eligible for an alternative form of coverage which the Corporation owns or for which it makes contributions, will not be eligible for Basic Life Insurance. Such executive Employees will be eligible for all other applicable coverages under the Program on the same basis and under the same circumstances as such coverages would otherwise be provided had they become or continued to be eligible for Basic Life Insurance.

(2) Sickness and Accident and Extended Disability Benefits

An Employee whose service date is prior to January 1, 2001 will be eligible for Sickness and Accident and Extended Disability Benefits coverage provided under Article IV on the later of January 1, 2004 and the first day of the sixth month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

(3) Short-Term and Long-Term Disability Benefits

An Employee whose service date is on or after January 1, 2001 will be eligible for Short-Term and Long-Term Disability Benefits provided under Article IV on the later of January 1, 2004 and the first day of the sixth month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Art. III, 3.02(b)

(b) When Coverage Resumes for Employees Returning to Work

If an Employee's coverage is discontinued and the Employee subsequently returns to work, such Employee's eligibility for coverage under the Program will be determined under subsection (a) herein except as follows:

(1) Employees on a Leave of Absence

If an Employee's coverage is discontinued while on a leave of absence and such Employee again becomes Actively at Work with Length of Service, the Employee will be eligible for all coverages under this Program immediately on the date of the Employee's return to active work with the Corporation.

(2) Employees Separated From Service Due to a Quit or Discharge

If separation from service was due to a quit or discharge but the Employee is reemployed within 31 days and no individual policy has been issued to the Employee in accordance with Article VI, Section 6.06, the Employee will be eligible immediately on the date the Employee is Actively at Work for all coverage under this Program for which such Employee was covered at the time of such quit or discharge.

(3) Employees Separated From Service for Reasons Other Than Quit or Discharge

If separation from service was due to a reason other than quit or discharge, and the Employee never acquired Length of Service or Length of Service was canceled, and the Employee returns to active work within a period of 24 consecutive months, the Employee will be eligible for all coverage under this Program for which the Employee was covered at the time of such separation immediately on the date the Employee is again Actively at Work with the Corporation.

Art. III, 3.02(b)(4)

(4) Employees Returning From Military Leaves of Absence

Notwithstanding any other provisions of the Program, an Employee upon reporting for work from military leave of absence in accordance with the terms of such leave will be eligible immediately for Basic Life Insurance provided under Article IV.

(c) Effective Date of Coverages

(1) An Employee will become covered on each of the dates such Employee first becomes eligible as set forth in subsections (a) and (b)(1), (2), and (3) above, if Actively at Work on that date and on the date the Employee becomes eligible as set forth in subsection (b)(4) above.

Notwithstanding the above, Long-Term Disability Benefits will not become effective if the Employee has waived such coverage. Additionally, if the Employee is subject to proof of good health, Long-Term Disability coverage will become effective as set forth in Article IV, Section 4.10(b).

(2) If an Employee is not Actively at Work on each of such dates such Employee's coverage would otherwise become effective as set forth in this Section 3.02 except subsection (b)(4) above, the Employee becomes covered on the date the Employee is again Actively at Work provided that date is not more than 24 months later, or if later, the Employee has not then broken Length of Service.

(d) Additional Coverage

The provisions of subsections (a), (b), and (c) of this Section to the contrary notwithstanding, if an Employee dies as a result of bodily injuries prior to becoming insured for Basic Life Insurance as set forth in this Section, such insurance coverage will be provided for such death but only if:

Art. III, 3.02(d)(1)

- (1) a benefit would be payable for such death under Section 4.03(a) of Article IV, had the Employee been insured for Basic Life Insurance;
- (2) the bodily injuries are caused solely by employment with Delphi; and
- (3) the bodily injuries result solely from an accident in which both the cause and result are unexpected and definite as to time and place.

3.03 – Amounts of Life Insurance in States With Insurance Laws Which Conflict With Insurance Policy Provisions

The Basic Life, Optional Life and Dependent Life Insurance Programs will be administered in compliance with applicable state laws to the extent legally required and to the extent such laws are not preempted by federal law.

3.04 – Program in States With Disability Benefits Laws

- (a) Not Applicable in States With Laws Providing Such Benefits
 - (1) The provisions of this Program pertaining to Sickness and Accident Benefits, Short-Term Disability Benefits, Extended Disability Benefits, Supplemental Extended Disability Benefits and Long-Term Disability Benefits will not be applicable to Employees in states having laws which now or hereafter may provide such benefits, under whatever name, for Employees who are disabled by non-occupational sickness or accident, or similar disability; and compliance by the Corporation with such laws will be deemed full compliance with the provisions of the Program with respect to Employees in such states.

If such benefits exceed the benefits provided under the Program, the Corporation may require from Employees in such states such contributions as it may deem appropriate for such excess benefits.

Art. III, 3.04(a)(2)

(2) In any state where the benefits under such state laws are on a generally lower level than the corresponding benefits under the Program, the Corporation will, to the extent it finds it practicable, provide benefits supplementary to the state plan benefits to the extent necessary to make the total benefits as nearly comparable as practicable to the benefits provided by the Program in states without such laws.

(b) Substitution of Applicable Provisions of Program for State Plan

The provisions of subsection (a) above to the contrary notwithstanding, the Corporation may, in any state wherein the substitution of a private plan is authorized by the law of such state, modify the provisions of the Program to the extent and in respects necessary to secure the approval of the appropriate state governing body to substitute the benefits provided by the Program in lieu of any plan provided by state law. Upon such modification and approval as a state-qualified plan, the Corporation may make the benefits provided by the Program available to its Employees in such state or states with such Employee contributions as may be appropriate with respect to any benefits under such modified Program benefits which exceed the benefits otherwise provided under the Program.

3.05 – Net Costs, Administration and Amendment of Program, Application and Claims
Review Procedure and Non-Applicability of Grievance Procedure

(a) Net Costs

Except as provided in Article IV, Sections 4.11 (e), 4.12 (f) and 4.13 (e), the Corporation will also pay the balance of the net cost of the Program over and above any Employee contributions specified in Article V and the cost of benefits as presently provided to the Corporation's Employees under the California, New Jersey and New York disability benefit laws. It will also pay any increase in such costs and will receive and retain any divisible surplus,

Art. III, 3.05(a)

credits, refunds or reimbursements under whatever name, arising out of any such state plan benefits.

(b) Administration and Amendment

- (1) The Corporation, as the Program Administrator, will be responsible for the administration of the Program. The Corporation reserves the right to amend, modify, suspend or terminate the Program in whole or in part, at any time by action of its Board of Directors or other committee or individual expressly authorized by the Board to take such action. The benefits available to Employees are determined solely by the terms of this Program. Absent an express delegation of authority from the Board of Directors, no one has the authority to commit the Corporation to any benefit or benefit provisions not provided for under the terms of this Program. The Program Administrator expressly reserves the right to construe, interpret and apply the terms of this Program. In carrying out its responsibilities under the Program, the Carrier also will have discretionary authority to interpret the terms of the Program and to determine eligibility for and entitlement to Program benefits in accordance with the terms of the Program. Any interpretation or determination made by the Program Administrator or the Carrier, pursuant to such discretionary authority, will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious. The determination of the Corporation or, in the event of an appeal, of the Carrier, will be final and binding on the Corporation, the insurance company and the Employee or the Employee's designated beneficiary.
- (2) Unless otherwise specifically provided herein, the Corporation will pay all expenses incurred by it in the administration of the Program.